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Speeches and Major Press Releases

December 19- January 2, 1981

Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA ALTERS PROSPECTIVE PLANTING REPORT SCHEDULE

WASHINGTON, Dec. 19--The U.S. Department of Agriculture's crop reporting board will issue a modified prospective plantings report Jan. 21, covering planned acreages of cotton, rice, corn, oats, barley, sorghum, sweet potatoes, soybeans, and peanuts in 66 states, according to Howard Hjort, USDA's director of economics policy analysis and budget.

Hjort said the 16 states are: Alabama, Arizona, Arkansas, California, Florida, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Tennessee, Texas, Oklahoma, South Carolina and Virginia.

A second prospective plantings report for major spring planted crops for 32 states will be issued in late March, Hjort said. This report will provide early-season indications of farmers' planting intentions and allow more time for producers to monitor markets and make production and marketing plans, he said.

Hjort said USDA will update the January report in selected areas if events suggest farmers are likely to change their earlier planting intentions.

The January and March reports will be combined to provide a national prospective plantings report in lieu of the usual April report, Hjort said.

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FmHA RAISES INTEREST RATES

WASHINGTON, Dec. 22--The U.S. Department of Agriculture's Farmers Home Administration raised its basic interest rates to 13 percent on Dec. 20, FmHA Administrator Gordon Cavanaugh said today.

Because of the higher costs in borrowing from the U.S. Treasury, FmHA raised interest rates to 13 percent on:

--low to moderate income rural housing loans,

--farm operating loans (including economic emergency loans for operating purposes) and

--disaster emergency loans for annual production or operating purposes above actual losses.

Cavanaugh said the increase in housing interest rates applies only to non-subsidized FmHA housing loans. "Home loans will still be available at rates as low as 1 percent for low-income families under the 'interest credit' provision of the national housing act," he said.

According to Cavanaugh the agency's interest rates are now set at 12.25 percent for most long term farm loans, including farm ownership, soil and water, recreation, grazing association, irrigation and drainage, economic emergency loans for real estate and disaster emergency loans for major adjustments above actual losses.

"Indian land acquisition loans and biomass fuel facilities loans will also be made at 12.25 percent," he said.

"For disasters occurring between July 3 and Dec. 19, 1980, emergency loans will be made at 11.75 percent to applicants who can get credit from other sources," Cavanaugh said.

--Rural rental housing and rural housing site loans will be made at 11.5 percent.

Cavanaugh also said that interests rates on:

--loans to limited resource farm applicants will be made at 7 percent for operating purposes and 5 percent for real estate purposes;

--loans to cover actual losses from disasters occurring after Oct. 1, 1978, will remain at 5 percent;

--loans on water, waste disposal and community facilities will remain unchanged at 5 percent.

"FmHA interest rates had not changed since Sept. 26, but increases were forced up because of recent rises in the prime interest rate," Cavanaugh said. "Interest rates will continue to be negotiated between borrower and lender for the agency's guaranteed loan programs."

The formulas used in setting FmHA's interest rates and other government lenders are prescribed by law and closely tied to the cost of federal borrowing and prevailing private market interest rates for similar maturities.

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USDA EXTENDS RECONSTITUTED MILK COMMENT PERIOD TO FEB. 16

WASHINGTON, Dec. 23--The U.S. Department of Agriculture has extended the comment period for an impact statement about a petition to change the pricing of reconstituted milk under all federal milk marketing orders from Jan. 2 to Feb. 16.

P.R. Smith, USDA assistant secretary for marketing and transportation, said the National Milk Producers Federation-a Washington--based representative of many dairy cooperatives--and other producer groups requested the extension. He said USDA was granting the extension because of the complex nature of the impact study and the difficulty in getting comments completed during the holiday season. The study was published in the Nov. 17 Federal Register.

USDA was petitioned by the Community Nutrition Institute, a processor and three individual consumers to hold a public hearing to consider removing commercially reconstituted milk from the Class I pricing provisions of milk orders, which in some areas could result in lower consumer prices for milk, Smith said.

Reconstituted milk can be made by combining nonfat dry milk and butterfat with water. Currently, milk products used for fluid consumption are priced under milk orders at the Class I prices, the highest price category for milk received from dairy farmers. The impact statement on the petition does not recommend whether a hearing should be held, Smith said.

Comments and any additional proposals that might lessen any adverse impact of the petition should be sent to the deputy administrator, Agricultural Marketing Service, USDA, rm. 3069-S, Washington, D.C., 20250, by Feb. 16.

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USDA AMENDS LISTING OF SCREWWORM PESTICIDES

WASHINGTON, Dec. 24--U.S. Department of Agriculture officials have amended federal animal health regulations to list--by generic names only--the approved pesticides for treating screwworm-infested livestock.

Floyd Smith, a staff veterinarian with USDA's Animal and Plant Health Inspection Service, said the listing of chemicals by generic names--ronnel and coumaphos--eliminates the need to change federal regulations whenever brand names are changed or new products are placed on the market.

Smith said currently approved brand-name products and their manufacturers are listed fn APHIS Veterinary Services Memorandum 556.6, which is updated when necessary. Copies of the memo may be obtained from APHIS-VS area offices, located in most state capitals, or from APHIS-VS, USDA, rm. 733 Federal Building, Hyattsville, Md., 20782.

The memorandum lists two formulations for wound treatment on horses only, nine formulations sold by four manufacturers for wound treatment on all types of livestock and three spray or dip formulations sold by two manufacturers, Smith said.

Notice of this action, which is effective Jan. 26, is scheduled to be published in the Dec. 29 Federal Register.

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COTTON QUOTA IMPORTS NOT EXEMPT FROM CUSTOMS DUTIES

WASHINGTON, Dec. 24--Acting Secretary of Agriculture Dale Hathaway today reminded firms planning to use the recently-established special import quota for upland cotton that normal customs duties will be collected on those imports.

Hathaway said, "It's apparent that some importers are unaware that regular duties still apply."

According to Hathaway, a special import quota for upland cotton of 238,633,920 pounds (about 500,000 bales) is in effect through Feb. 25. President Carter proclaimed the quota on Nov. 24 pursuant to a special provision of the Food and Agriculture Act of 1977.

Hathaway said this requires setting a special import quota whenever a month's average spot price for strict low middling 1-1/16 inch cotton (micronaire 3.5 through 4.9) exceeds 130 percent of its average price for the preceeding 36 months. "However, neither the Food and Agriculture Act of 1977 nor any other law authorizes suspension of normal customs duties for the quota imports," he said.

The duty for cotton having a staple length of not less than 1 1/8 inches and under 1 11/16 inches is 3.5 cents per pound. The duty for cotton having staple length of 1 11/16 inches or over is 1.75 cents per pound. Cotton under 1 1/8 inches is duty free.

As of Dec. 17, almost all of the special quota was still available. Entries on that date totaled only 155,749 pounds.

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RAW SUGAR IMPORT FEE TO REMAIN AT ZERO FOR FIRST QUARTER OF 1981

WASHINGTON, Dec. 24--Acting Secretary of Agriculture Dale Hathaway today said the import fee on raw sugar for the calendar quarter beginning Jan. 1 will remain unchanged at zero cents per pound. The fee for refined sugar is also unchanged at 0.52 cents per pound.

The fees, set under a flexible import fee system based on world sugar prices, were reduced to their present level on Oct. 24, 1979, in response to strengthened prices for raw sugar. Since then, prices have remained above the level that would trigger imposition of an actual charge on raw sugar imports, Hathaway said.

Under the terms of the governing presidential proclamation, the secretary of agriculture is required to determine the import fees for each calendar quarter according to the prescribed formula. One provision is that the fee for refined sugar will be 0.52 cents higher than the raw sugar fee.

Hathaway said the fees will remain in effect during the January-March quarter unless world prices fall to the trigger level, a development which appears very unlikely.

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NOVEMBER EMERGENCY FEED AID PAYMENTS TOTAL $19.2 MILLION

WASHINGTON, Dec. 24--U.S. livestook producers received $19,165,133 during November under the U.S. Department of Agriculture's emergency feed aid program, said Ray Fitzgerald, administrator of USDA's Agricultural Stabilization and Conservation Service.

During the first two months of fiscal year 1981 (October and November), USDA paid out $29,698,264. This exceeded the money paid out during all of the previous fiscal year by $6 million.

Fitzgerald said the $29.7 million in federal assistance has helped livestock producers buy 1.1 billion pounds of feed--nearly 20 million bushels corn equivalent.

Fitzgerald said payments were heavy in October and November as a result of widespread drought conditions in many midwest and southern states.

Under the emergency feed program, USDA may authorize financial aid to farmers when a natural disaster has reduced the amount of feed normally produced on the applicant's farm and the applicant must make larger-than-normal purchases of feed.

Participants may be reimbursed for up to 50 percent of the cost of feed purchased. The maximum authorized amount of this aid was increased Aug. 11 from 2 cents to 3 cents per pound of grain equivalent for the current drought period. During fiscal 1980, $23.4 million was approved to buy 1.25 billion pounds of feed.

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PEANUT EXPORTS TO BE REPORTED IN JANUARY

WASHINGTON, Dec. 24--Beginning in January, exporters will be required to report export sales of peanuts to the U.S. Department of Agriculture, said Thomas R. Hughes, administrator of USDA's Foreign Agricultural Service.

Adding peanuts to the list of reportable commodities was needed because of the dramatic shortfall in U.S. domestic peanut production--down to 1.0 million tons from 1.7 million tons in 1979, Hughes said.

By collecting and publishing export sales data on peanuts, people in the peanut economy sector will be able to make informed decisions about market opportunities and availability of supplies, Hughes said.

The reporting requirement will go into effect Jan. 9, and the first report of sales will be due Jan. 19. Because an emergency situation exists, the normal 60-day public comment period will not apply, Hughes said.

Peanut exporters can get more information, a supply of reporting forms and a reporting firm number from the export sales reporting division of the Foreign Agricultural Service, telephone (202) 447-5651.

The change, which was published in the Federal Register Dec. 18, amends Part 20 of Subtitle A of Title 7 of the Code of Federal Regulations.

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CORN CALLED FROM GRAIN RESERVE

WASHINGTON, Dec. 30--Farmers who have corn stored in the farmer-owned grain reserve will be required to repay their price support loans within 90 days of notification, Ray Fitzgerald, executive vice president of the Commodity Credit Corporation, announced today.

Currently, about 665 million bushels of corn are in the farmer-owned reserve, he said.

Fitzgerald said repayment of reserve corn loans has been called by CCC because the five-day national average market price for the commodity has been at or above the $3.26-per-bushel reserve call price for corn for five consecutive days. The daily adjusted price for corn also has been above this level for five days in a row, Fitzgerald said.

Fitzgerald said the call of corn loans does not mean that farmers are required to sell their grain. The call requires them to repay their loans within 90 days of the date they are officially notified of the call. County offices of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service will officially notify producers whose loans have been called.

All reserve grains except barley and wheat are now in call status, he said.

Under the farmer-owned grain reserve program farmers are eligible to place feed grains and wheat into a reserve when farm prices are below call prices. In return, farmers receive CCC price support loans on the grain in reserve as well as annual storage payments. The corn reserve was begun in December 1977.

The call level for corn under the reserve program is 145 percent of the $2.25 per bushel national average loan rate, or $3.26. Data used by CCC in determining the call level includes a daily report by USDA's Agricultural Marketing Service which shows prices at selected markets. For corn, the markets are Chicago, Kansas City, Minneapolis, Omaha and St. Louis.

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